

Proprietary Funds
Non-major Enterprise Funds

Enterprise funds are used to account for revenues resulting primarily from charges for services provided to the general public and the related costs of such services.

Non-major Enterprise Funds:

- **Civic Center** – This fund accounts for the revenues and expenses related to the City's civic center operations.
- **Parking Services** – This fund accounts for the revenues and expenses related to the City's public parking system.
- **Festivals** – This fund accounts for the revenues and expenses related to Bele Chere, the City's annual downtown festival.
- **Mass Transit** – This fund accounts for the revenues and expenses related to the City's transportation system.

CITY OF ASHEVILLE
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2004

	Civic Center	Parking Services	Festivals	Mass Transit	Total Non-major Enterprise Funds
ASSETS					
Current assets:					
Cash and investments	\$ 513,252	\$ -	\$ -	\$ -	\$ 513,252
Accounts receivable	7,671	34,075	-	-	41,746
Intergovernmental receivable	-	-	-	1,461,956	1,461,956
Inventories	17,128	-	-	43,888	61,016
Prepays	-	-	113,048	-	113,048
Total current assets	<u>538,051</u>	<u>34,075</u>	<u>113,048</u>	<u>1,505,844</u>	<u>2,191,018</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments	<u>93,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,645</u>
Capital assets:					
Land	400,000	4,324,487	-	161,838	4,886,325
Buildings and improvements	9,876,387	8,845,035	-	1,604,788	20,326,210
Machinery and equipment	1,414,032	464,610	-	4,129,084	6,007,726
Construction in progress	-	794,681	-	47,378	842,059
Total capital assets	<u>11,690,419</u>	<u>14,428,813</u>	<u>-</u>	<u>5,943,088</u>	<u>32,062,320</u>
Accumulated depreciation	<u>(8,864,227)</u>	<u>(3,551,023)</u>	<u>-</u>	<u>(3,976,351)</u>	<u>(16,391,601)</u>
Net capital assets	<u>2,826,192</u>	<u>10,877,790</u>	<u>-</u>	<u>1,966,737</u>	<u>15,670,719</u>
Other assets:					
Unamortized debt issuance costs	<u>-</u>	<u>43,267</u>	<u>-</u>	<u>-</u>	<u>43,267</u>
Total assets	<u>\$3,457,888</u>	<u>\$10,955,132</u>	<u>\$ 113,048</u>	<u>\$ 3,472,581</u>	<u>\$17,998,649</u>

(Continued)

CITY OF ASHEVILLE
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2004

	Civic Center	Parking Services	Festivals	Mass Transit	Total Non-major Enterprise Funds
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 32,647	\$ 50,677	\$ 1,923	\$ 222,355	\$ 307,602
Customer deposits	-	500	-	-	500
Accrued interest payable	-	66,079	-	-	66,079
Other accrued expenses	21,590	7,419	2,530	-	31,539
Due to other funds	-	780,403	286,067	283,312	1,349,782
Installment purchase contracts	-	503,018	-	-	503,018
Compensated absences	41,300	19,539	-	3,708	64,547
Unearned revenue	-	-	265,776	-	265,776
Total current liabilities	<u>95,537</u>	<u>1,427,635</u>	<u>556,296</u>	<u>509,375</u>	<u>2,588,843</u>
Noncurrent Liabilities:					
Installment purchase contracts	-	1,610,002	-	-	1,610,002
Total noncurrent liabilities	<u>-</u>	<u>1,610,002</u>	<u>-</u>	<u>-</u>	<u>1,610,002</u>
Total liabilities	<u>95,537</u>	<u>3,037,637</u>	<u>556,296</u>	<u>509,375</u>	<u>4,198,845</u>
NET ASSETS					
Invested in capital assets, net of related debt	2,826,192	8,764,770	-	1,966,737	13,557,699
Unrestricted	536,159	(847,275)	(443,248)	996,469	242,105
Total net assets	<u>\$ 3,362,351</u>	<u>\$ 7,917,495</u>	<u>\$ (443,248)</u>	<u>\$ 2,963,206</u>	<u>\$ 13,799,804</u>
					(Concluded)

CITY OF ASHEVILLE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Civic Center	Parking Services	Festivals	Mass Transit	Total Non-major Enterprise Funds
OPERATING REVENUES					
Charges for services	\$ 185,948	\$ 2,581,156	\$ -	\$ 689,046	\$ 3,456,150
Rents	582,703	13,255	151,236	-	747,194
Concessions	533,302	-	274,136	-	807,438
Miscellaneous revenues	157,878	31,429	362,440	10,132	561,879
Total operating revenues	<u>1,459,831</u>	<u>2,625,840</u>	<u>787,812</u>	<u>699,178</u>	<u>5,572,661</u>
OPERATING EXPENSES					
Salaries and fringe benefits	998,459	439,745	189,918	98,555	1,726,677
Contractual services	251,743	314,813	644,985	3,161,445	4,372,986
Supplies and materials	89,858	39,707	53,960	20,477	204,002
Outside repairs	30,807	43,022	-	-	73,829
Depreciation	230,398	229,137	-	374,106	833,641
Interfund charges	5,090	24,685	-	6,121	35,896
Utilities	268,672	67,202	2,129	7,675	345,678
Cost of merchandise sold	151,814	-	85,311	-	237,125
Other operating expenses	641,732	18,025	145,134	99,784	904,675
Total operating expenses	<u>2,668,573</u>	<u>1,176,336</u>	<u>1,121,437</u>	<u>3,768,163</u>	<u>8,734,509</u>
Operating income (loss)	<u>(1,208,742)</u>	<u>1,449,504</u>	<u>(333,625)</u>	<u>(3,068,985)</u>	<u>(3,161,848)</u>
NONOPERATING REVENUES (EXPENSES)					
Operating grants	-	-	-	1,883,705	1,883,705
Interest earned	2,064	17,066	-	-	19,130
Interest expense	-	(171,319)	-	(7,225)	(178,544)
Gain on sale of capital assets	-	701	-	-	701
Total nonoperating revenues (expenses)	<u>2,064</u>	<u>(153,552)</u>	<u>-</u>	<u>1,876,480</u>	<u>1,724,992</u>
Income (loss) before transfers	<u>(1,206,678)</u>	<u>1,295,952</u>	<u>(333,625)</u>	<u>(1,192,505)</u>	<u>(1,436,856)</u>
Transfers in (out):					
Transfers from General Fund	796,037	-	-	1,101,841	1,897,878
Transfers to Federal Capital Projects	-	-	-	(14,437)	(14,437)
Changes in net assets	<u>(410,641)</u>	<u>1,295,952</u>	<u>(333,625)</u>	<u>(105,101)</u>	<u>446,585</u>
Total net assets - beginning (as restated)	<u>3,772,992</u>	<u>6,621,543</u>	<u>(109,623)</u>	<u>3,068,307</u>	<u>13,353,219</u>
Total net assets - ending	<u>\$ 3,362,351</u>	<u>\$ 7,917,495</u>	<u>\$ (443,248)</u>	<u>\$ 2,963,206</u>	<u>\$ 13,799,804</u>

CITY OF ASHEVILLE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Civic Center	Parking Services	Festivals	Mass Transit	Total Non-major Enterprise Funds
Cash flows from operating activities:					
Cash received from customers	\$1,489,322	\$2,635,072	\$ 750,892	\$ 699,178	\$5,574,464
Cash paid for goods and services	(1,409,561)	(481,581)	(863,011)	(3,312,111)	(6,066,264)
Cash paid to employees	(992,262)	(439,968)	(189,918)	(103,131)	(1,725,279)
Net cash provided by (used for) operating activities	(912,501)	1,713,523	(302,037)	(2,716,064)	(2,217,079)
Cash flows from noncapital financing activities:					
Operating grants received	-	-	-	1,489,996	1,489,996
Operating transfers received from other funds	796,037	-	-	1,087,404	1,883,441
Operating advances received from other funds	-	(354,363)	286,067	211,243	142,947
Net cash provided by (used for) non-capital financing activities	796,037	(354,363)	286,067	2,788,643	3,516,384
Cash flows from capital and related financing activities:					
Acquisition and construction of assets	-	(690,013)	-	(65,354)	(755,367)
Previously capitalized assets reclassified to noncapital expenditures	384,967	-	-	-	384,967
Principal paid on debt	-	(503,585)	-	-	(503,585)
Interest paid on debt	-	(183,329)	-	(7,225)	(190,554)
Proceeds from sale of capital assets	-	701	-	-	701
Net cash provided by (used for) capital and related financing activities	384,967	(1,376,226)	-	(72,579)	(1,063,838)
Cash flows from investing activities:					
Interest earned	2,064	17,066	-	-	19,130
Net cash provided by investing activities	2,064	17,066	-	-	19,130
Net increase (decrease) in cash and cash equivalents	270,567	-	(15,970)	-	254,597
Cash and cash equivalents:					
Beginning of year, July 1	336,330	-	15,970	-	352,300
End of year, June 30	\$ 606,897	\$ -	\$ -	\$ -	\$ 606,897

CITY OF ASHEVILLE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Civic Center</u>	<u>Parking Services</u>	<u>Festivals</u>	<u>Mass Transit</u>	<u>Total Non-major Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	<u>\$ (1,208,742)</u>	<u>\$ 1,449,504</u>	<u>\$ (333,625)</u>	<u>\$ (3,068,985)</u>	<u>\$ (3,161,848)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	230,398	229,137	-	374,106	833,641
Amortization of debt issuance costs	-	11,800	-	-	11,800
Changes in assets and liabilities:					
Decrease in accounts receivable	29,491	9,232	-	-	38,723
(Increase) in inventories	(751)	-	-	(2,025)	(2,776)
Decrease in prepaid expenses	-	-	68,336	-	68,336
Increase in other accrued expenses	21,590	7,419	2,530	-	31,539
Increase (decrease) in accounts payable	7,552	6,654	(2,358)	(14,584)	(2,736)
(Decrease) in unearned assets	-	-	(36,920)	-	(36,920)
Increase(decrease) in accrued compensated absences	7,961	(223)	-	(4,576)	3,162
Total adjustments	<u>296,241</u>	<u>264,019</u>	<u>31,588</u>	<u>352,921</u>	<u>944,769</u>
Net cash provided by (used for) operating activities	<u>(912,501)</u>	<u>1,713,523</u>	<u>(302,037)</u>	<u>(2,716,064)</u>	<u>(2,217,079)</u>
Reconciliation of cash and cash equivalents					
Cash and cash equivalents:					
Unrestricted	\$513,252	-	-	-	513,252
Restricted	93,645	-	-	-	93,645
Total cash and cash equivalents	<u>\$ 606,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 606,897</u>

**CITY OF ASHEVILLE
CIVIC CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Rents	\$ 529,835	\$ 582,703	\$ 52,868
Concessions	435,200	533,302	98,102
Advertising and promotions	15,000	-	(15,000)
Staffing charges	78,450	84,199	5,749
Box office charges	24,100	28,447	4,347
Other	81,000	157,878	76,878
Maintenance fee	41,900	73,302	31,402
Total operating revenues	<u>1,205,485</u>	<u>1,459,831</u>	<u>254,346</u>
OPERATING EXPENDITURES			
General operations	1,496,006	1,412,889	83,117
Event personnel	110,908	110,946	(38)
Concessions/operating	331,825	307,309	24,516
Maintenance	6,200	5,542	658
Box office/operating	79,870	80,056	(186)
Capital outlay	15,000	-	15,000
Total operating expenditures	<u>2,039,809</u>	<u>1,916,742</u>	<u>123,067</u>
Operating loss	<u>(834,324)</u>	<u>(456,911)</u>	<u>377,413</u>
NONOPERATING REVENUES			
Interest earned	-	2,064	2,064
Total nonoperating revenues	<u>-</u>	<u>2,064</u>	<u>2,064</u>
Deficiency of revenues over expenditures	(834,324)	(454,847)	379,477
OTHER FINANCING SOURCES			
Transfers in:			
From General Fund	796,037	796,037	-
Appropriated fund balance	<u>38,287</u>	<u>-</u>	<u>(38,287)</u>
Revenues, other financing sources and appropriated fund balance over expenditures	<u>\$ -</u>	<u>341,190</u>	<u>\$ 341,190</u>
Reconciling items:			
Noncapitalized expenditures in the Civic Center Capital Projects Fund:			
Prior year		(384,967)	
Current year		(136,466)	
Depreciation		(230,398)	
Change in net assets		<u>\$ (410,641)</u>	

CITY OF ASHEVILLE
CIVIC CENTER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Investment earnings	\$ 143	\$ -	\$ -	\$ -
Maintenance fees	6,128	-	-	-
Total revenues	6,271	-	-	-
EXPENDITURES				
Auditorium stage	2,462	-	1,395	1,395
ADA elevator improvement	281,933	-	-	-
150 KVA transformer	4,978	-	-	-
Osha improvements	38,255	-	38,255	38,255
Air handler repair	11,155	-	6,155	6,155
ADA capital equipment	106,168	-	58,633	58,633
Main cooling tower	13,573	-	-	-
Emergency generator	1,100	-	-	-
General capital projects	143	-	-	-
Arena lighting controls	17,038	-	15,334	15,334
Concessions equipment	25,060	-	13,059	13,059
Exterior repairs	19,960	-	3,635	3,635
Total expenditures	521,825	-	136,466	136,466
Revenues under expenditures before other financing sources	(515,554)	-	(136,466)	(136,466)
OTHER FINANCING SOURCES				
Transfers in:				
From General Fund	515,554	230,110	-	230,110
Total other financing sources	515,554	230,110	-	230,110
Revenues and other financing sources over (under) expenditures	\$ -	\$ 230,110	\$ (136,466)	\$ 93,644

CITY OF ASHEVILLE
PARKING SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Parking fees	\$ 2,136,920	\$ 2,581,156	\$ 444,236
Other fees	-	31,429	31,429
Total operating revenues	<u>2,136,920</u>	<u>2,612,585</u>	<u>475,665</u>
OPERATING EXPENDITURES			
Parking services	619,492	568,084	51,408
Parking garages	697,290	379,115	318,175
Capital outlay	85,500	83,697	1,803
Contingency	91,081	-	91,081
Total operating expenditures	<u>1,493,363</u>	<u>1,030,896</u>	<u>462,467</u>
Operating income	<u>643,557</u>	<u>1,581,689</u>	<u>938,132</u>
NONOPERATING REVENUES (EXPENDITURES)			
Interest earned	-	17,066	17,066
Principal payments on debt	(503,585)	(503,585)	-
Interest and debt service charges	(171,636)	(171,319)	317
Other	-	-	-
Proceeds from sale of fixed assets	-	701	701
Total nonoperating revenues (expenditures).	<u>(675,221)</u>	<u>(657,137)</u>	<u>18,084</u>
Revenues over (under) expenditures before appropriated fund balance	(31,664)	924,552	956,216
Appropriated fund balance	<u>31,664</u>	<u>-</u>	<u>(31,664)</u>
Revenues and appropriated fund balance over expenditures	<u>\$ -</u>	<u>924,552</u>	<u>\$ 924,552</u>
Reconciling items:			
Rents earned in Parking Services			
Capital Projects Fund		13,255	
Depreciation		(229,137)	
Principal payments on debt		503,585	
Capital outlay		83,697	
Change in net assets		<u>\$ 1,295,952</u>	

CITY OF ASHEVILLE
PARKING SERVICES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Rental income	\$ -	\$ 30,791	\$ 13,255	\$ 44,046
Investment earnings	60	1,304	-	1,304
Total revenues	<u>60</u>	<u>32,095</u>	<u>13,255</u>	<u>45,350</u>
EXPENDITURES				
Cushman	20,000	-	-	-
Battery Park parking deck	11,900,000	3,135,920	582,327	3,718,247
Employee parking lot	58,027	-	23,989	23,989
Interest and debt service charges	60	2,030	-	2,030
Total expenditures	<u>11,978,087</u>	<u>3,137,950</u>	<u>606,316</u>	<u>3,744,266</u>
Revenues under expenditures before other financing sources	<u>(11,978,027)</u>	<u>(3,105,855)</u>	<u>(593,061)</u>	<u>(3,698,916)</u>
OTHER FINANCING SOURCES				
Proceeds from the sale of bonds	11,900,000	-	-	-
Transfers in:				
From General Fund	20,000	20,000	-	20,000
From Parking Services Fund	58,027	423,071	-	423,071
Total other financing sources	<u>11,978,027</u>	<u>443,071</u>	<u>-</u>	<u>443,071</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (2,662,784)</u>	<u>\$ (593,061)</u>	<u>\$ (3,255,845)</u>

CITY OF ASHEVILLE
FESTIVALS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES			
Bele Chere 2003	\$ 648,000	\$ 378,227	\$ (269,773)
Bele Chere 2004	525,000	244,211	(280,789)
Other Festivals	360,026	128,454	(231,572)
Total operating revenues	<u>1,533,026</u>	<u>750,892</u>	<u>(782,134)</u>
OPERATING EXPENDITURES			
Bele Chere 2003	648,000	765,666	(117,666)
Bele Chere 2004	525,000	102,491	422,509
Other Festivals	360,026	184,944	175,082
Total operating expenditures	<u>1,533,026</u>	<u>1,053,101</u>	<u>479,925</u>
Revenues under expenditures	<u>\$ -</u>	(302,209)	<u>\$ (302,209)</u>
Reconciling items:			
Net change in deferred revenues		36,920	
Net change in prepaids		(68,336)	
Change in net assets		<u>\$ (333,625)</u>	

**CITY OF ASHEVILLE
MASS TRANSIT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Passenger fares	\$ 643,000	\$ 689,046	\$ 46,046
Other	17,632	10,132	(7,500)
Total operating revenues	<u>660,632</u>	<u>699,178</u>	<u>38,546</u>
OPERATING EXPENDITURES			
Administration	256,228	212,524	43,704
Transit operations	3,344,024	3,161,445	182,579
Total operating expenses	<u>3,600,252</u>	<u>3,373,969</u>	<u>226,283</u>
Operating loss	<u>(2,939,620)</u>	<u>(2,674,791)</u>	<u>264,829</u>
NONOPERATING REVENUES (EXPENDITURES)			
State and federal grants	1,963,695	1,845,905	(117,790)
Interest and debt service charges	<u>(8,760)</u>	<u>(7,225)</u>	<u>1,535</u>
Total nonoperating revenues	<u>1,954,935</u>	<u>1,838,680</u>	<u>(116,255)</u>
Revenues under expenditures before other financing sources (uses)	(984,685)	(836,111)	148,574
OTHER FINANCING SOURCES			
Transfers in:			
From General Fund	<u>984,685</u>	<u>813,485</u>	<u>(171,200)</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>(22,626)</u>	<u>\$ (22,626)</u>
Reconciling items:			
Net activity in Mass Transit Capital Projects Fund		291,631	
Depreciation		<u>(374,106)</u>	
Change in net assets		<u>\$ (105,101)</u>	

CITY OF ASHEVILLE
MASS TRANSIT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION FOR THE YEAR ENDED JUNE 30, 2004

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
REVENUES				
Intergovernmental	\$ 1,426,072	\$ 24,037	\$ 37,800	\$ 61,837
Total revenues	<u>1,426,072</u>	<u>24,037</u>	<u>37,800</u>	<u>61,837</u>
EXPENDITURES				
Bus shelter & benches	243,500	-	-	-
Cross walks	45,000	-	40,396	40,396
General system improvements	109,346	-	6,982	6,982
Support vehicle	108,048	-	-	-
Vehicle replacement	175,103	-	-	-
General operations center	65,000	-	-	-
Passenger center	16,500	-	-	-
Transportation center enclosure	1,700	1,699	-	1,699
Bus purchases	1,055,391	-	38,064	38,064
General capital project	61,916	-	-	-
Transit garage light	37,000	-	-	-
Total expenditures	<u>1,918,504</u>	<u>1,699</u>	<u>85,442</u>	<u>87,141</u>
Revenues over (under) expenditures before other financing sources	<u>(492,432)</u>	<u>22,338</u>	<u>(47,642)</u>	<u>(25,304)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in/out:				
From Transit Operating Fund	282,269	339,666	-	339,666
From General Fund	224,600	-	288,356	288,356
To Federal Capital Projects Fund	(14,437)	-	(14,437)	(14,437)
Total other financing sources	<u>492,432</u>	<u>339,666</u>	<u>273,919</u>	<u>613,585</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 362,004</u>	<u>\$ 226,277</u>	<u>\$ 588,281</u>